

The Circular Economy

Key Definitions

Circular Economy:

A systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the 'take-make-waste' linear model, a circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources.

A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

Circularity Gap:

The Circularity Gap is a global metric that tracks how circular our world is, with the figure released yearly as part of Circle Economy's annual Gap Report. In recent years, gap reports have shown that our world is getting less circular.

In 2018, the Circularity Gap was 9.1 percent but last year this figure dropped to just 8.6 percent. The Circularity Gap has not been updated for 2021 due to data unavailability, but the global backslide on circularity acts as a reminder of the work required to close the gap.

Resilience:

Resilience can be considered as the capacity of a given system to overcome the changes caused by one or more disturbing elements and to recover its initial state and/or normal operations.

Regenerative Resources:

This refers to the use of renewable, reusable, non-toxic resources are utilised as materials and energy in an efficient way.

Some Further Reading

- [Three Core Principles of Circular Economy](#)
- [Circularity Gap](#)
- [Ellen MacArthur Foundation](#)
- The Circular Economy, by Walter Stahel (2019): [Link to article here](#)
- The Key Elements of the Circular Economy: [Link to article here](#)
- The Circular Economy - A New Sustainability Paradigm: [Link to article here](#)
- Closing the Loop: A Documentary on the Circular Economy Revolution: [Link to the trailer here](#)
- Circularity: Preparing for the new economy: [Link to a trailer for the documentary here](#)

Check out Episode #34 for the full interview with Ryan, from Planet Ark and the benefits of a circular economy

Key Arguments

In a circular economy, manufacturers design products to be reusable. For example, electrical devices are designed in such a way that they are easier to repair. Products and raw materials are also reused as much as possible. For example, by recycling plastic into pellets for making new plastic products.

There are three primary principles associated with this transition to a circular economy according to the Ellen MacArthur Foundation:

- Design out waste and pollution
- Keep products and materials in use
- Regenerate natural systems

Walter Stahel argues . . .

A 'circular economy' would turn goods that are at the end of their service life into resources for others, closing loops in industrial ecosystems and minimizing waste. It would change economic logic because it replaces production with sufficiency: reuse what you can, recycle what cannot be reused, repair what is broken, remanufacture what cannot be repaired. Stahel draws on seven European nations to show that a shift to a circular economy would reduce each nation's greenhouse-gas emissions by up to 70% and grow its workforce by about 4% — the ultimate low-carbon economy

What you can do

There are [three ways](#) to address our rate of consumption:

1. Consume Less

The circular economy focuses on better use of natural resources, and the simple fact is that many of us consume far too much.

2. Consume Better

A circular economy is not only about consuming less; it's also about consuming better.

3. Create Systemic Change

Consumers can only do so much when the entire economy is built on the take-make-waste model. What we need is systemic change, so that sustainability doesn't only depend on consumer choices.

Check out what your local, or state, government is doing to drive a circular economy shift. For example, the NSW government has released a Circular Economy Statement, which can be found [here](#)

